

FINANCE AND INFORMATION SERVICES DEPARTMENT

BUDGET OVERVIEW

	2001-2002 Actual	2003-2004 Budget	2003-2004 Estimate	2005-2006 Budget
Total Budget	\$9,376,691	\$10,163,274	\$9,579,885	\$10,942,191
Total FTEs	37.22	34.60	34.60	34.80

PROGRAM OVERVIEW

The mission of the Finance and Information Services Department is to be a leader in delivering financial, business and technical services and solutions to our customers. The Department supports the City in many ways:

Administration serves as the chief advisor to the Mayor, Council, and City departments on all financial (i.e., accounting, budget, risk management, purchasing), City Clerk, and Information Services activities. This division develops capital financing strategies, issues debt, and manages the City's investment portfolio.

Financial Planning manages the City's short- and long-term fiscal planning processes including the development of the budget, capital improvement program and six-year financial forecast. Staff serves as in-house consultants to all departments, helping them resolve management, budget, capital, operations and other fiscal and policy-related issues.

Revenue and Consumer Affairs bills over 12,000 water, sewer and stormwater customers, issues business licenses and performs general cashiering duties for the City.

Accounting manages the recording and reporting of all financial transactions and activities occurring within the City in accordance with generally accepted accounting principles. Accounting personnel serve as consultants to all departments to develop accounting procedures that fit operational needs.

City Clerk maintains official City records including minutes, ordinances, resolutions, contracts, deeds, etc. The Clerk's office supports the City Council, coordinates City elections and monitors state legislative actions. The City Clerk administers and supports the Hearing Examiner contract.

Financial Operations manages the City's procurement and contracting activities, administers the City's fixed asset management program and pays City bills.

Reprographics provides graphic design services, printing, binding, and high-volume duplication services.

The Finance Department also provides citywide information technology services and manages the City's insurance and safety programs. These activities are accounted for outside of the General Fund in three separate funds: Information Technology, Insurance Claims and Reserves, and Workers' Compensation.

2003-2004 ACCOMPLISHMENTS

- Worked with Information Services, Human Resources and a citywide users interest group to research, evaluate, select, design and implement Enterprise One as the replacement for the City's aging Ross Finance, Payroll and Human Resources system.
- Developed financing plans for the City Hall project.
- Completed a fire cost-of-services analysis with the City's Fire Department and Fire District 34 to identify and agree upon appropriate cost allocation methods and address service delivery issues and contractual concerns. This analysis became the foundation for renegotiations of the fire services contract between the City and Fire District 34.
- Assisted with the development of a regional economic development website for Redmond, where all business-related information was aggregated together to assist the business community and to encourage businesses to locate their business to Redmond.
- Assisted the Fire Department in successfully transitioning and integrating Advanced Life Support (ALS) services from Evergreen Hospital into the City.
- Worked on a variety of cross-departmental financial-related projects including leading the City's overhead and development review user-fee studies; assisted Public Works with the utility rate studies and Human Resources with the benefits design and actuarial study of the medical self-insurance fund.
- Successfully implemented GASB 34 reporting requirements for the fiscal year ended December 31, 2002 and received the Government Finance Officer's Association Certificate of Achievement for Excellence in Financial Reporting for the City's Comprehensive Annual Financial Report (CAFR).
- Made available for the first time the City's Annual Financial Report and budget on the Internet.
- Created and distributed to all City departments a Supervisor's Handbook to aid supervisors in understanding the City's financial policies and procedures.
- Collaborated with Parks and Recreation, Information Services, Natural Resources, Planning, Police, and Fire to apply for several grants in the areas of homeland security, habitat enhancement, and communication hardware, to name a few. Over \$310,000 in funding was awarded as of July, 2004 with \$1,010,669 pending, primarily for homeland security.
- Provided employees electronic access to eTimesheets, expense claims, and other frequently requested financial information on the City's intranet site.
- Assisted the Parks and Recreation Department with securing financing for the Grass Lawn and Perrigo Parks projects.
- Oversaw the physical inventory count of city equipment and capitalized fixed assets and updated information in the city's computerized fixed asset tracking system.
- Institutionalized the use of an electronic bidding system, via the City's Internet site, to facilitate the purchase of many City commodities, thus improving the City's ability to reach additional potential sources of supply and achieve maximum price considerations.
- Increased Redmond's usage of intergovernmental cooperative purchasing agreements with various municipalities, the Office of State Procurement and selected buying consortiums in efforts to maximize the City's purchasing power.
- Continued to electronically distribute documents related to Council meetings and refine the paperless Council agenda.
- Provided Council with a series of seven educational sessions on various aspects of City finances.

- Assisted the Permit Center in successfully implementing a credit card system in an effort to provide customers with more payment options.
- Successfully upgraded to the new version of Springbrook Utility Billing system.
- Began audit of business database against state licensing database and Commuter Trip Reduction Reports recovering over \$1.625 million in licensing fees and \$180,000 in licensing fees from companies that were unlicensed or underreporting.
- Enhanced business license system to automate more of the renewal process and improve accuracy of reporting.
- Participated in the Department of Licensing's Master License Service (MLS) program meetings to assess joint program requirements with the City and MLS.
- The Reprographics Division was recognized with many awards this past year: The 2003 3CMA Savvy Award for the graphic design of The Citizen's Information Guide, "Believe it or Not!"; the 2004 Vision 2020 Award presented by the Puget Sound Regional Council for The Redmond Trip Reduction Incentive Program; this same material was a finalist in the 2004 3CMA's National Savvy Awards Competition; and WRPA Conference Materials won Best Brochure Award of Excellence from the WRPA Media Award.
- By implementing a networked color copier, the Reprographics Division was able to enhance its output to include full-color projects. Examples include the *Arts in the Parks* materials, *Redmond Trip Reduction Incentive Program*, *Redmond Lights Posters*, *Derby Days Posters*, *Arts Commission Annual Reports* – these projects alone would have cost over \$5,000 to produce in color outside of the City.

2005-2006 WORKPLAN INITIATIVES

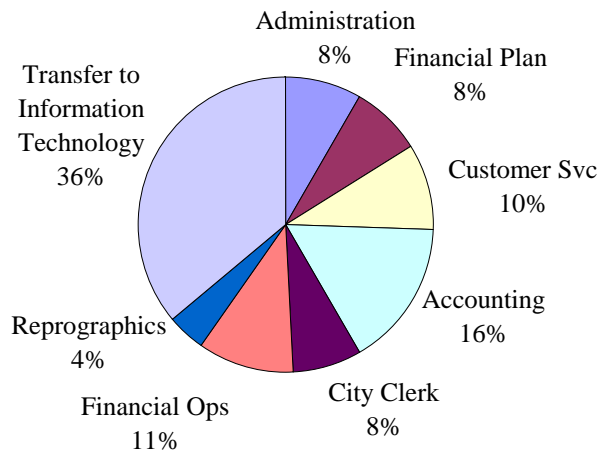
- Work with the Mayor and Council to develop a long-term funding strategy for the General Fund which provides for high-quality municipal services.
- Successful rollout of new Enterprise One (Finance, Payroll and Human Resources systems) including development of new business processes and training of staff.
- Transition the 2005-06 budget and six-year Capital Improvement Program to new financial system.
- Continue to seek out grants and other creative funding sources for programs/projects to augment general revenues.
- Implement GASB 44-Economic Condition Reporting. This new reporting requirement will provide 10 years of historical information to users of the City's annual financial report in the areas of financial trends, revenue capacity, debt capacity, demographic and economic information and operating information.
- Develop and implement a citywide electronic document/record retention program.
- Continue to refine and make available the distribution of electronic documents in support of Council meetings.
- Complete audit of business license database against state licensing database; continue researching unlicensed businesses and auditing businesses for underreporting.
- Enhance business license system for Wellhead Protection Ordinance requirements to better track businesses with multiple locations and allow reporting by North American Industry Classification System (NAICS) codes.
- Continue to monitor the Fire District 34 contract as Sammamish transitions to Eastside Fire and Rescue.

- Develop an integrated document management system as the City consolidates in the new City Hall.
- Provide credit card payment option and business license application online.
- Successful move to a new City Hall.

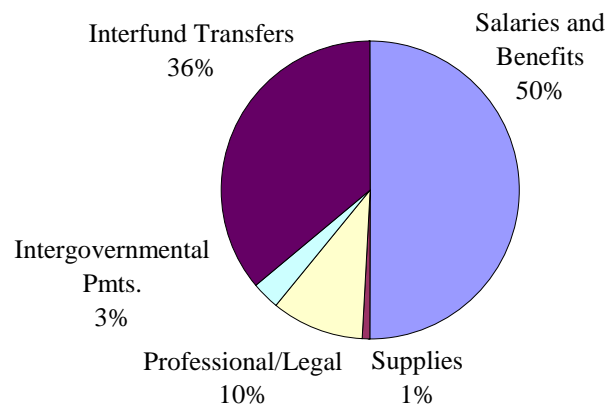
SUMMARY OF DEPARTMENT RESOURCES

2005-2006 Budget \$10,942,191

By Division/Program Area



By Category of Expense



SUMMARY OF BUDGET AND PROGRAM CHANGES

	Budget	FTEs
2003-2004 Operating Budget	\$10,163,274	34.60
Adjustments to the base budget:		
Eliminate one-time 2003 Special Election costs	(\$55,000)	
Salary and benefit adjustments	308,345	
Increase in Information Services (I.S.) base transfer to reflect GIS group, salary and benefits adjustment, and ongoing funding for technology projects	875,145	
Utility Billing increases	25,488	
State auditor contract increase	22,300	
Business License increases	20,450	
Transfer of rent to Non-Departmental	(110,903)	
Special Elections (previously funded by one-time resources)	55,000	
Fleet maintenance/other adjustments	(59,562)	
Transfer of FTE between Risk Management and Fixed Assets Divisions of Finance - FTE change only		0.20
Program reductions:		
Decrease in transfer to I.S. due to service reductions	(226,412)	
Hearing Examiner contract	(30,934)	
Dunn and Bradstreet financial data	(5,814)	
Reprographics operating costs	(39,186)	
2005-2006 Operating Budget	\$10,942,191	34.80

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)Reduction in Information Services transfer: -\$226,412

This proposal reduces funding to Information Services for computer maintenance, support line, remote access, and Internet services. These reductions are expected to have only a minimal impact on I.S. as the majority of these cuts have been achieved by re-negotiating service contracts, identifying more efficient ways to provide the service and increasing the expertise/skills of staff.

Hearing Examiner Contract: -\$30,934

Reduces funding for the hearing examiner contract. The examiner workload is based upon the number of hearings required and fluctuates with changes in the development environment. Reducing this funding should leave sufficient funds to cover the hearing examiner contract costs if the number of plats, conditional use permits and appeals remains constant with the 2003-2004 experience. However, if the hearing examiner's workload increases, the City will need to find a way to pay for these expenses as the City is obligated by contract to pay for these costs.

Dunn & Bradstreet Financial Data: -\$5,814

Reduces funding for Dunn & Bradstreet reports which are used to monitor the financial stability of city suppliers. These reports are used in conjunction with the City's competitive bidding process in evaluating a supplier's bid response when determining "lowest responsible bid." City staff will be able to purchase individual reports on selected businesses on an ad hoc basis, but ongoing monitoring will be limited.

Reprographics Operating Costs: -\$39,186

Reduces funding for repairs and maintenance, operating supplies, travel and training to more accurately reflect anticipated expenditures in 2005-06. The impact of these reductions is expected to be minimal.